

Consider Wednesday's hearing in the House Financial Services Committee the salad before the main course. It wasn't very satisfying and didn't include much that was new or interesting, but it should soon lead to the meaty markup for which everyone has patiently been waiting.

A committee vote on Barney Frank's bill to license and regulate Internet gambling could come next week. By the time Wednesday's hearing finished, Frank had already left to deal with other House business. But committee member **John Campbell (R-Calif.)** concluded the day by repeating what he had heard in that the markup could occur next week. It would have to be to meet Frank's promise of holding a markup in July.

Much of the hearing was the same old refrain from the last time the committee discussed the bill in December. Spencer Bachus (R-Ala.) and his witnesses lamented that U.S.-sanctioned Internet poker would negatively impact minors and problem gamblers. Frank and his witnesses argued that people should have the freedom to do what they want to in their own home, and that consumers would be better protected in a regulated environment.

"To say we broke a lot of new ground in this hearing is a stretch," said John Pappas, executive director of the Poker Players Alliance. "But we did check the box and hope it paves the way for a vote in Frank's committee as soon as next week."

Poker player Annie Duke spoke as a representative of the PPA. Pappas said that Frank asked for Duke's participation because she represented poker players well in front of the House Judiciary Committee in 2007.

As a mother of four, Duke was successful in shutting down the Bachus line that having Internet gambling available on a computer is like putting a bottle of whiskey in a minor's room and telling him not to drink. Duke answered that she thinks parents should be the primary source to prevent minors from gambling, as she does with drinking. But she would like to see the government offer protections to ensure her children are protected online. She pointed out that the Unlawful Internet Gambling Enforcement Act is a banking law that does nothing to keep minors or problem gamblers offline. She wants the government to protect consumers because Internet poker is not going away.

Bachus illustrated his lack of knowledge about the issue when he said he believed the UIGEA would still be successful in cutting off the funds of offshore gambling sites and that it just needed more time to be implemented. He fails to realize that sites will continue to adjust with

different avenues of funding, if needed.

Bachus and the two witnesses against the bill continued their usual dramatic overstatements about the issue. Bachus compared the government taxing Internet gambling to taking its cut of the heroine sold to drug addicts. Tom Malkasian, representing Commerce Casino in California, said Commerce opposed the bill because it rewarded "illegal" foreign operators. He said that if Congress legalized marijuana, it wouldn't give a license to the drug cartels because they have the most experience selling drugs. Joe Baca (D-Calif.), attempting to protect his state's Indian tribes, said licensing and regulating the already popular activity of Internet gambling would put at risk 22,000 jobs at brick-and-mortar casinos in the state.

The usually talkative Frank surprisingly didn't say much at the hearing, appearing to see it as a formality to get to the markup, but he summed up the opposition nicely: "The opposition of this bill comes from two groups the 'gambling is terrible' and the 'gambling is so wonderful' that they don't want anyone to compete with them in offering it."

Lynn Malerba, chairwoman of the Mohegan Tribe of Connecticut, was the rare reasonable representative of an Indian tribe who didn't feel entitled or threatened by the legislation. She observed that Frank was involving the tribes in forming the bill and even welcomed competition, saying she wouldn't object to existing operators being awarded a license as long as they were licensed by reputable foreign governments.

Bachus brought up the Ultimate Bet cheating scandal to Duke, an Ultimate Bet player, and she turned it around on him by saying this was the reason consumer's need the government's protection.

Bachus pulled a stunt by taking out a large picture of a UPS Store, which he said was the address of Safe and Secure Internet Gambling Initiative, in an effort meant to show that by using a P.O. Box, organizations lobbying for the bill were not real.

"It didn't do anything but make him look bad," said Michael Waxman, spokesman for the Safe and Secure Internet Gambling Initiative. "The hearing is a time to talk about the issues. To show a picture of where we receive our mail just seemed out of place and desperate. If this were an organization where no one answers the phone or e-mails, that would be different."

One of the most positive developments from an uneventful day was the addition of the U.S. Chamber of Commerce to the supporters of licensed and regulated Internet gambling. A representative of the organization, which represents more than 3 million businesses, wrote Frank and Bachus a letter supporting the legislation. Frank mentioned the letter, which can be read [here](#), during the hearing.

"This has been an organization that has been on the opposite side of Frank on financial reform," Waxman said. "It's good to see them on the right side of this issue. It also reinforces the clear financial benefits of online gambling regulations and that the chamber acknowledges the opportunity for this to stimulate our economy."

The Chamber of Commerce is especially influential on Republicans, the party from which the Internet gambling legislation needs to garner more support. Among the committee members, Frank, Campbell and Andre Carson (D-Ind.) spoke out strongly in favor of the legislation. Bachus, Baca and Jeb Hensarling (R-Tex.) spoke out strongly against the bill. Brad Sherman (D-Calif.), Judy Biggert (R-Ill.) and Gary Peters (D-Mich.) all seemed on the fence but open to the legislation.

Written statements submitted by the witnesses can be read at the House Financial Services Committee website. The spoken statements didn't include all that was written, as Frank limited the statements to five minutes because the committee was running late. The hearing began at 2:30 p.m. EST rather than 2 p.m., went for an hour and 15 minutes, took a 45-minute break and returned for less than half an hour with Dennis Moore (D-Kan.) filling in for Frank.